

**Senate Study Bill 3245 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON BOLKCOM)

**A BILL FOR**

1 An Act authorizing cities and counties to impose a fee on the  
2 renting of certain lodging.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 331.402, subsection 2, paragraph f, Code  
2 Supplement 2009, is amended to read as follows:

3 *f.* Impose a hotel and motel tax, a lessor regulation fee, or  
4 both, in accordance with chapter 423A.

5 Sec. 2. Section 331.427, subsection 1, unnumbered paragraph  
6 1, Code Supplement 2009, is amended to read as follows:

7 Except as otherwise provided by state law, county revenues  
8 from taxes and other sources for general county services shall  
9 be credited to the general fund of the county, including  
10 revenues received under sections 9I.11, 101A.3, 101A.7, 123.36,  
11 123.143, 142D.9, 176A.8, 321.105, 321.152, 321G.7, 321I.8,  
12 section 331.554, subsection 6, sections 341A.20, 364.3, 368.21,  
13 423A.4A, 423A.7, 428A.8, 433.15, 434.19, 445.57, 453A.35,  
14 458A.21, 483A.12, 533.329, 556B.1, 583.6, 602.8108, 904.908,  
15 and 906.17, and the following:

16 Sec. 3. NEW SECTION. **423A.4A Local lodging regulation fee.**

17 1. A city or county may impose by ordinance of the city  
18 council or by resolution of the board of supervisors a lodging  
19 regulation fee at a rate not to exceed one dollar and fifty  
20 cents per night of lodging rental. The fee when imposed by a  
21 city shall apply only within the corporate boundaries of that  
22 city and when imposed by a county shall apply only outside the  
23 incorporated areas within that county.

24 2. The fee shall be collected by the lessor of lodging from  
25 the user of that lodging. The lessor shall add the fee to the  
26 sales price of the lodging, and the fee shall be stated as a  
27 distinct item, separate and apart from the sales price of the  
28 lodging and taxes imposed, if any, under section 423A.3 or  
29 423A.4.

30 3. Fees collected by a lessor shall be due and payable to  
31 the city or county, as applicable, according to a schedule  
32 specified in the ordinance. A lessor is liable for the payment  
33 of fees to the city or county in the same manner as liability is  
34 imposed on retailers for the payment of taxes under sections  
35 421.26 and 421.28.

1 4. Fees received by a city or county under this section  
2 shall be deposited in a lodging regulation account within  
3 the city's general fund or the county's general fund, as  
4 applicable. All fees collected under this section are deemed  
5 to be held in trust for the applicable city or county that is  
6 imposing the fee.

7 5. a. Moneys in the lodging regulation account within the  
8 city or county general fund shall be used for that city's or  
9 county's costs related to the inspection, supervision, and  
10 regulation of lessors within the applicable city or county  
11 under chapter 137C.

12 b. Moneys in the lodging regulation account in excess of  
13 the amounts necessary to inspect, supervise, or regulate the  
14 lessors under paragraph "a" shall be expended for property tax  
15 relief.

16 6. An ordinance imposing a fee under this section shall  
17 designate an applicable city or county officer to receive  
18 payments from lessors and to prescribe any forms necessary for  
19 the collection, reporting, and payment of such fees.

20 Sec. 4. Section 423A.5, Code Supplement 2009, is amended by  
21 adding the following new subsection:

22 NEW SUBSECTION. 3. All of the following are exempt from any  
23 fee imposed under section 423A.4A:

24 a. The renting of lodging which is rented by the same person  
25 for a period of more than thirty-one consecutive days.

26 b. The renting of sleeping rooms in dormitories and in the  
27 memorial unions at all universities and colleges located in the  
28 state of Iowa.

29 c. The lodging furnished to the guests of a religious  
30 institution if the property is exempt under section 427.1,  
31 subsection 8, and the purpose of renting is to provide a  
32 place for a religious retreat or function and not a place for  
33 transient guests generally.

34

EXPLANATION

35 This bill authorizes cities and counties to impose by

1 ordinance of the city council or by resolution of the county  
2 board of supervisors a lodging regulation fee at a rate not to  
3 exceed \$1.50 per night of lodging rental. The fee when imposed  
4 by a city applies only within the corporate boundaries of that  
5 city and when imposed by a county applies only outside the  
6 incorporated areas within that county.

7 The bill requires such fees to be collected by the lessor  
8 of lodging from the user of the lodging. The fee is added to  
9 the sales price of the lodging, and the fee must be stated as  
10 a distinct item, separate from the sales price of the lodging  
11 and other hotel and motel taxes imposed on the rental. The  
12 fees collected by a lessor are paid to the city or county, as  
13 applicable, according to a schedule specified by the city or  
14 county. The bill imposes liability on a lessor for the payment  
15 of fees to the city or county in the same manner as liability is  
16 imposed on retailers for the payment of certain taxes.

17 The bill requires all lodging regulation fees received by a  
18 city or county to be deposited in a lodging regulation account  
19 within the city's general fund or the county's general fund,  
20 as applicable. Moneys in the lodging regulation account must  
21 first be used for that city's or county's costs related to the  
22 inspection, supervision, and regulation of lessors within the  
23 applicable city or county under Code chapter 137C. Moneys  
24 in the lodging regulation account in excess of the amounts  
25 necessary to inspect, supervise, or regulate the lessors, must  
26 be expended for property tax relief.

27 The bill exempts certain lodging rental from the lodging  
28 regulation fee. The exemptions in the bill are similar to the  
29 exemptions currently applicable to state and local hotel and  
30 motel taxes under Code chapter 423A.